

Contract # 64101

CONTRACT AND LIEN BETWEEN WEBER BASIN WATER CONSERVANCY DISTRICT

AND

Rollins Ranch LLC

FOR THE SALE AND USE OF UNTREATED WATER

THIS CONTRACT, made this 15, day of May, 2006 between the
WEBER BASIN WATER CONSERVANCY DISTRICT, organized under the laws of the
State of Utah, herein styled "District", and Rollins Ranch LLC
of Layton, Utah herein styled the "Purchaser",

WITNESSETH:

WHEREAS, the Purchaser desires, by means of a well/spring to divert or withdraw
underground water for domestic and miscellaneous purposes, which diversion will intercept
and withdraw water that will require replacement, and the district has water to sell to the
Purchaser to replace the water so intercepted and withdrawn; and

WHEREAS, Purchaser intends to utilize said water upon the following described
lands:

and

WHEREAS, this contract and purchaser's obligation to pay for the water as set forth
herein shall constitute a lien upon the real property described in Exhibit "A";

NOW, THEREFORE, in consideration of the mutual and dependent promises and
covenants herein contained, it is hereby mutually agreed by and between the parties
hereto as follows:

Ent 103650 Bk 232 Pg 772
Date: 13-JUL-2006 1:22PM
Fee: \$35.00 Cash
Filed By: NPS
BRENDA NELSON, Recorder
MORGAN COUNTY
For: WEBER BASIN WATER CONSERVANCY

1. SALE OF WATER: The District for the price hereinafter specified, hereby sells and agrees to deliver in the manner and at the place hereinafter provided, and the purchaser hereby purchases the right to use in each calendar year untreated District water in amounts of 117 acre-feet, except the District will not be obligated to deliver water to the Purchaser as herein provided until satisfactory evidence is furnished that the use of this water as replacement water has been approved by the State Engineer of Utah.

2. PLACE OF DELIVERY AND USE: The water covered hereby is sold to the purchaser solely for the replacement of underground water diverted, withdrawn or to be diverted or withdrawn by said well or spring for domestic and miscellaneous use in and upon the following described lands in Morgan County, Utah:

SEE ATTACHED "EXHIBIT A"

and for no other use or purpose. Its use as replacement water shall be subject to such rules and regulations as the State Engineer of Utah may prescribe.

Delivery of such water shall be as directed by the State Engineer or his representative at the outlet works of _____ Reservoir. The District shall have no obligation to provide works or facilities of any type to conduct such water from such point of delivery to its ultimate place of use. The Purchaser shall have no right to hold over or accumulate water from year to year, nor to sell or rent the water.

3. OBLIGATION OF PURCHASER TO PAY FOR WATER: For the purchase of the annual quantity of water which the District holds and will hold for the Purchaser as herein provided, the Purchaser shall pay to the District an annual amount to consist of the total of the following items:

(a) \$99.66 per acre-foot of water. Such price per acre-foot shall continue until such time as the District may otherwise determine; provided, only, that an increase in such price shall become operative only at the beginning of the next calendar year.

(b) A fair proportionate amount of estimated operating and maintenance charges of the District for the then calendar year. Such fair proportionate amount shall be determined each year by the Board of Directors of the District and the determination shall be final and conclusive.

The first annual payment under items (a) and (b) above shall be made by the Purchaser to the District concurrently with the execution hereof by Purchaser, and shall be in payment for water available for use of Purchaser in the calendar year in which this contract is approved by the Board of Directors of the District; provided, however, if such approval by the Board of Directors of the District is given on or subsequent to October 1 of the then year, the payment so made by Purchaser shall apply as a credit upon the amount accruing hereunder for the next succeeding calendar year, and no payment shall be required for the remainder of the calendar year in which such initial payment is made. Succeeding annual payments shall be made by the Purchaser to the District on or before January 1 of each year thereafter. Each annual payment shall be made to the District whether or not all or any part of the water is called for or used hereunder.

Purchaser's obligation to pay for the water as described above exists irrespective of whether purchaser actually uses the water.

4. PENALTY FOR DELINQUENCY: Every installment or charge required to be paid to the District under this contract, which shall remain unpaid after its due date, shall bear

interest from date of delinquency at the existing prime interest rate as of January 1 of each year.

5. REMEDIES OF DISTRICT IN CASE OF DEFAULT: The annual amount payable hereunder shall be and constitute a perpetual lien upon the lands herein above described. If the Purchaser shall fail to make any payment due hereunder on or before the due date, the District may refuse the delivery of water, or upon written notice to Purchaser, cancel this contract in its entirety, but either or both of these remedies are not exclusive, and the District may exercise any other remedy given by this contract or by law to enforce collection of any payment due hereunder, and for the foreclosure of the lien hereby created.

6. RELIEF IN EVENT OF DROUGHT AND WATER SHORTAGE: In the event there is a shortage of water caused by drought, inaccuracies in distribution not resulting from negligence, hostile diversion, prior or superior claims or other causes not within the control of the District, no liability shall accrue against the District or any of its officers, agents, or employees for any damage, direct or indirect, arising therefrom and the payments to the District provided for herein shall not be reduced because of any such shortage or damage. During periods of water shortage, allocations of treated and untreated water for municipal, domestic and industrial use shall have first priority.

7. CONSTRUCTION, OPERATION AND MAINTENANCE OF PURCHASER'S FACILITIES: The Purchaser shall construct, operate and maintain, without cost to the District, the well or spring and appurtenant facilities necessary to secure and accurately measure its water supply. The metering or other measuring device installed by the Purchaser shall be satisfactory to the State Engineer. The District has no responsibility for

the quality or quantity of water that the Purchaser is able to secure through the operation of its well or spring.

8. BENEFICIAL USE OF WATER: The basis, the measure and the limit of the right of the Purchaser in the use of water shall rest perpetually in the beneficial application thereof, and the Purchaser agrees to put the water purchased by him hereunder to beneficial use in accordance with law.

9. ASSIGNMENT LIMITED - SUCCESSORS AND ASSIGNS OBLIGATED:
The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto.

10. NOTICE: Any notice herein required to be given to the Purchaser shall be sufficiently given if sent by mail addressed to Purchaser at: 1513 N Hillfield Road, Layton, UT 84041 and the District if sent to 2837 East Highway 193, Layton, Utah 84040.

11. OBSERVATION OF FEDERAL AND STATE POLLUTION LAWS: The Purchaser agrees that it will comply fully with all applicable Federal laws, orders and regulations and the laws of the State of Utah, all as administered by appropriate authorities, concerning the pollution of streams, reservoirs, ground water or water courses with respect to thermal pollution or the discharge of refuse, garbage, sewage effluent, industrial waste, oil, mine tailings, mineral salts or other pollutants.

12. The reuse of water delivered pursuant to this contract shall not be allowed without permission of the District. The waste, seepage, or return flow from water delivered

Federal laws, orders and regulations and the laws of the State of Utah, all as administered by appropriate authorities, concerning the pollution of streams, reservoirs, ground water or water courses with respect to thermal pollution or the discharge of refuse, garbage, sewage effluent, industrial waste, oil, mine tailings, mineral salts or other pollutants.

13. The reuse of water delivered pursuant to this contract shall not be allowed without permission of the District. The waste, seepage, or return flow from water delivered pursuant to this contract shall belong to the United States or the Weber Basin Water Conservancy District for the use and benefit of the Weber Basin Project.

IN WITNESS WHEREOF, the parties have caused this contract to be executed and signed the day and year first above written.

PURCHASERS:

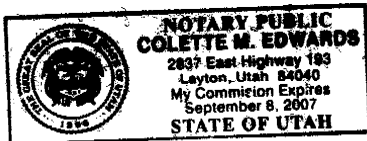
By: Rollins Ranch LLC
Denny C. Driehorst
Address: 1513 N. Hillfield Road
Layton Utah 84041

STATE OF UTAH)
) : ss
COUNTY OF Davis)

On the 16th day of May,
2008, personally appeared before me Danny C. Brenderstine,
the signer(s) of the above instrument, who duly acknowledged to
me that he executed the same.

Colette Edwards
NOTARY PUBLIC

(SEAL)



WEBER BASIN WATER
CONSERVANCY DISTRICT

Charlene M. McConkie
Charlene M. McConkie, Chair

ATTEST:

Tage I. Flint
Tage I. Flint, Secretary

(SEAL)



EXHIBIT A

(Description of Property)

All that certain real property located in Morgan County, Utah and more particularly described as follows:

BEGINNING AT A POINT WHICH IS 1345.89 FEET WEST ALONG THE QUARTER SECTION LINE AND 2622.31 FEET SOUTH FROM THE EAST QUARTER CORNER OF SECTION 24, T5N, R1E, SLB&M.

(BASIS OF BEARING S 00DEG 01MIN 15SEC W FROM SAID CORNER TO THE SOUTHEAST CORNER OF SECTION 24), AND RUNNING THENCE SOUTH 00DEG 12MIN 07SEC WEST 1296.87 FEET ALONG A FENCE LINE;

THENCE SOUTH 89DEG 33MIN 28SEC WEST 24.77 FEET;

THENCE SOUTH 71DEG 17MIN 14SEC WEST 89.95 FEET;

THENCE SOUTH 86DEG 24MIN 00SEC WEST 78.63 FEET;

THENCE SOUTH 82DEG 05MIN 08SEC WEST 83.84 FEET;

THENCE SOUTH 87DEG 44MIN 46SEC WEST 177.96 FEET;

THENCE NORTH 89DEG 19MIN 52SEC WEST 334.65 FEET;

THENCE SOUTH 89DEG 47MIN 47SEC WEST 450.5 FEET;

THENCE SOUTH 29DEG 32MIN 41SEC WEST 391.59 FEET ALONG AN EXISTING FENCE LINE TO THE NORTH LINE OF 5800 NORTH STREET;

THENCE NORTH 88DEG 46MIN 29SEC WEST 531.67 FEET ALONG SAID STREET;

THENCE NORTH 27DEG 59MIN 19SEC EAST 845.57 FEET TO AN EXISTING FENCE LINE;

THENCE NORTH 43DEG 28MIN 57SEC EAST 493.80 FEET ALONG SAID FENCE LINE;

THENCE NORTH 87DEG 15MIN 05SEC EAST 202.81 FEET ALONG SAID FENCE LINE;

THENCE NORTH 587.06 FEET;

THENCE ALONG SAID CENTERLINE THE FOLLOWING EIGHT (8) COURSES

1) NORTH 61DEG 37MIN 46SEC EAST 159.74 FEET TO A POINT ON A 80.00 FOOT RADIUS CURVE TO THE LEFT;

2) THENCE 82.70 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 59DEG 13MIN 46SEC (CHORD BEARS NORTH 32DEG 00MIN 53SEC EST 79.07 FEET);

3) THENCE NORTH 02DEG 23MIN 50SEC EAST 35.07 FEET TO A POINT ON A 48.00 FOOT RADIUS CURVE TO THE RIGHT;

4) THENCE 107.47 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 128DEG 17MIN 01SEC (CHORD BEARS NORTH 66DEG 32MIN 19SEC EAST 86.39 FEET)

5) THENCE SOUTH 49DEG 19MIN 09SEC EAST 110.71 FEET;

6) THENCE NORTH 76DEG 31MIN 54SEC EAST 98.90 FEET;

7) THENCE SOUTH 61DEG 50MIN 48SEC EAST 174.81 FEET;

8) THENCE SOUTH 88DEG 35MIN 14SEC EAST 85.63 FEET;

THENCE NORTH 11DEG 01MIN 02SEC EAST 287.81 FEET ALONG THE WEST EDGE OF A FIELD;

THENCE NORTH 18DEG 24MIN 07SEC EAST 196.76 FEET ALONG SAID FIELD;
THENCE NORTH 88DEG 39MIN 58SEC EAST 1569.44 FEET;
THENCE SOUTH 00DEG 01MIN 15SEC WEST 124.94 FEET ALONG THE SECTION LINE;
THENCE SOUTH 38DEG 49MIN 47SEC WEST 596.22 FEET;
THENCE SOUTH 88DEG 48MIN 00SEC WEST 971.51 FEET TO THE POINT OF
BEGINNING.

Tax Parcel No. 03-005-029-01

Part of Account No. 00-0071-5460

BEING PART OF SECTIONS 24 AND 25, T5N, R1E S404M

Ent 103650 Bk 0232 Pj 0781

Continued

Exhibit A

BEGINNING AT THE NORTH QUARTER CORNER OF SECTION 25, TOWNSHIP 5 NORTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE NORTH 89DEG. 19MIN. 26SEC. EAST ALONG THE QUARTER SECTION LINE 300.17 FEET; THENCE SOUTH 290.81 FEET; THENCE NORTH 89DEG. 53MIN. 12 SEC. WEST 529.79 FEET TO A POINT ON A CURVE; THENCE SOUTHWESTERLY ALONG THE ARC OF A 1630.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 20DEG. 37MIN. 52SEC. A DISTANCE OF 586.93 FEET (CHORD BEARS SOUTH 11DEG. 20MIN. 36SEC. WEST 583.76 FEET) TO A POINT OF REVERSE CURVATURE; THENCE SOUTHWESTERLY ALONG THE ARC OF A 770.00 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 21DEG. 02MIN. 17SEC. A DISTANCE OF 282.73 FEET (CHORD BEARS SOUTH 11DEG. 08MIN. 23SEC. WEST 281.15 FEET) TO A POINT OF REVERSE CURVATURE; THENCE SOUTHWESTERLY ALONG THE ARC OF A 330.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 17DEG. 33MIN. 47SEC. A DISTANCE OF 101.15 FEET (CHORD BEARS SOUTH 09DEG. 24MIN. 07SEC. WEST 100.76 FEET); THENCE SOUTH 27DEG. 59MIN. 16SEC. WEST 112.39 FEET TO A POINT ON A CURVE; THENCE SOUTHWESTERLY ALONG THE ARC OF A 330.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 00DEG. 00MIN. 54SEC. A DISTANCE OF 0.09 FEET (CHORD BEARS SOUTH 37DEG. 48MIN. 00SEC. WEST 0.09 FEET); THENCE SOUTH 27DEG. 59MIN. 11 SEC. WEST 364.43 FEET TO THE NORTH LINE OF 5800 NORTH STREET (POWDER HORN DRIVE) NOT YET DEDICATED; THENCE NORTH 88DEG. 46MIN. 32SEC. WEST ALONG SAID NORTH LINE 303.32 FEET TO A POINT OF CURVATURE; THENCE SOUTHWESTERLY ALONG THE ARC OF A 74.97 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 77DEG. 59MIN. 24SEC. A DISTANCE OF 102.05 FEET (CHORD BEARS SOUTH 52DEG. 13MIN. 52SEC. WEST 94.35 FEET) TO A POINT ON A CURVE AND THE NORTH LINE OF THE OLD HIGHWAY ROAD; THENCE WESTERLY ALONG THE ARC OF A 1186.00 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 03DEG. 47MIN. 54 SEC. A DISTANCE OF 78.62 FEET (CHORD BEARS NORTH 81DEG. 22MIN. 51SEC. WEST 78.61 FEET); THENCE NORTHERLY THE FOLLOWING 4 CALLS: NORTH 18DEG. 25MIN. 57SEC. EAST 214.70 FEET, NORTH 01DEG. 08MIN. 56SEC. WEST 15.96 FEET; NORTH 04DEG. 24MIN. 38SEC. WEST 63.16 FEET, NORTH 21DEG. 40MIN. 53SEC. WEST 100.43 FEET; THENCE SOUTH 89DEG. 57MIN. 59SEC. EAST 19.94 FEET; THENCE NORTH 04DEG. 24MIN. 38SEC. WEST 327.63 FEET; THENCE SOUTH 88DEG. 30MIN. 03SEC. EAST 2.32 FEET; THENCE SOUTH 61DEG. 12MIN. 41SEC. EAST 49.49 FEET; THENCE SOUTH 62DEG. 05MIN. 13SEC. EAST 100.00 FEET; THENCE NORTHERLY THE FOLLOWING 11 CALLS: NORTH 27DEG. 59MIN. 40SEC. EAST 100.17 FEET, NORTH 28DEG. 56MIN. 00SEC. EAST 60.01 FEET, NORTH 27DEG. 59MIN. 19SEC. EAST 200.99 FEET, NORTH 27DEG. 46MIN. 19SEC. EAST 97.77 FEET, NORTH 17DEG. 12MIN. 48SEC. EAST 105.73 FEET, NORTH 02DEG. 05MIN. 04SEC. EAST 118.94 FEET, NORTH 00DEG. 13MIN. 00SEC. WEST 100.00 FEET, NORTH 15DEG. 24MIN. 08SEC. WEST 65.86 FEET, NORTH 11DEG. 46MIN. 07SEC. EAST 99.93 FEET, NORTH 16DEG. 39MIN. 14SEC. WEST 69.54 FEET, NORTH 15DEG. 48MIN. 23SEC. EAST 122.00 FEET, THENCE SOUTH 65DEG. 51MIN. 32SEC. EAST 16.26 FEET TO THE QUARTER SECTION LINE; THENCE SOUTH 89DEG. 55MIN. 18SEC. EAST ALONG SAID QUARTER SECTION LINE 658.01 FEET TO THE POINT OF BEGINNING.

Ent 103650 Bk 0232 Pg 0782

Exhibit "A"

m9469a

A TRACT OF LAND SITUATED IN THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 5 NORTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN, U.S., SURVEY, MORGAN COUNTY, UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH QUARTER CORNER OF SECTION 25, AS MONUMENTED BY A 5/8" REBAR WITH AN ALUMINUM CAP;
THENCE SOUTH 00 DEG 18 MIN 14 SEC WEST 1715.66 FEET ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 25;
THENCE NORTH 89 DEG 35 MIN 45 SEC WEST 289.85 FEET;
THENCE NORTH 05 DEG 40 MIN 09 SEC EAST 5.46 FEET TO A REBAR AND CAP PLACED ON THE SOUTH LINE OF POWDER HORN ROAD; THENCE NORTH 88DEG 39MIN 13SEC WEST 148.13 FEET ALONG THE SOUTH LINE OF POWDERHORN ROAD TO THE TRUE POINT OF BEGINNING;

THENCE 127.85 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 120.00 FEET AND A LONG CHORD BEARING SOUTH 60DEG 49MIN 26SEC WEST 121.89 FEET; THENCE SOUTH 30DEG 18MIN 05SEC WEST 92.36 FEET; THENCE 38.04 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 25 FEET AND A LONG CHORD BEARING SOUTH 13DEG 17MIN 16SEC EAST 34.47 FEET TO A POINT ON THE NORTHWESTERLY LINE OF OLD HIGHWAY ROAD; THENCE 417.14 FEET ALONG SAID NORTHWESTERLY LINE OF OLD HIGHWAY ROAD, A CURVE TO THE LEFT, HAVING A RADIUS OF 1186.00 FEET AND A LONG CHORD BEARING NORTH 66DEG 57MIN 10SEC WEST 414.99 FEET; THENCE NORTH 10DEG 19MIN 19SEC EAST 1.48 FEET; THENCE 35.40 FEET ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 24.97 FEET AND A LONG CHORD BEARING NORTH 50DEG 43MIN 50SEC EAST 32.51 FEET TO A POINT ON THE SOUTH LINE OF POWDER HORN ROAD; THENCE SOUTH 88DEG 39MIN 13SEC EAST 501.67 FEET TO THE POINT OF BEGINNING.

THE BASIS OF BEARING IS THE WEST LINE OF THE NORTHWEST QUARTER OF SECTION 25, CALLED NORTH 00 DEG 17 MIN 00 SEC EAST, AS MONUMENTED.

Ent 103650 Bk 0232 Pj 0783